

## Message Text

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FM SECSTATE WASHDC

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C O N F I D E N T I A L STATE 118460

THE FOLLOWING MESSAGE SENT TO SECSTATE INFO ABIDJAN ACCRA  
ALGIERS BELGRADE BUENOS AIRES CARIO CARACAS COLOMBO DAKAR  
GEORGETOWN ISLAMABAD JAKARTA KINGSTON KINSHASA KUALA LUMPUR  
LAGOS LIMA MANILA MEXICO NAIROBI RABAT RIO DE JANEIRO TEHRAN  
DTG P 151205Z MAY 75 FM AMEMBASSY NEW DELHI

QUOTE

CONFIDENTIAL NEW DELHI 6512

E.O. 11652: GDS

TAGS: PFOR, PORG, EGEN, UNGA, UN, IN

SUBJ: LIKELY INDIAN ATTITUDES AT UNGA SPECIAL SESSION

AND WHAT WE MIGHT DO ABOUT THEM

REF: STATE 075525

SUMMARY: WHEN IT COMES TIME TO VOTE, INDIA WILL NOT DESERT THE  
UNCTAD RANKS, CERTAINLY NOT AT THE NEXT SPECIAL UNGA SESSION.  
HOWEVER, INDIA HAS A LARGE INDUSTRIAL SECTOR, SEES ITS EXPORT  
FUTURE IN INDUSTRIAL PRODUCTS, AND IMPORTS MAINLY RAW MATERIALS,  
INCLUDING A GREAT DEAL OF  
OIL. ITS ECONOMIC INTERESTS, THERE-  
FORE, ARE NOT CONSISTENT WITH THE NEW ECONOMIC ORDER, AND THERE  
IS AN OPPORTUNITY TO ENLIST INDIA ON THE SIDE OF MORE MODERATE  
UNCTAD POSITIONS. AS A LONGER TERM PROPOSITION, WE SUGGEST A  
DIALOGUE WITH INDIA STARTING WITH SENDING SMALL GROUPS OF  
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EXPERTS TO INDIA TO EXPLORE POLICIES WITH INDIA ON A REALISTIC  
GIVE-AND-TAKE BASIS. END SUMMARY.

1. INDIA'S IDENTIFICATION WITH AND DESIRE FOR A LEADERSHIP ROLE

IN THE THIRD WORLD ARE TOO WELL KNOWN TO REQUIRE MUCH DEMONSTRATION HERE. THE REASONS FOR INDIA'S INCLINATION ARE FOUND IN ITS HISTORY, ITS PSYCHOLOGY AND ITS POVERTY. INDIA IS STILL TRYING TO ESCAPE FROM THE SHADOW OF ITS COLONIAL PAST AND IT IDENTIFIES WITH OTHER EX-COLONIES WHO ARE TRYING TO FIND THEMSELVES IN A POST-COLONIAL WORLD. IT IS STRUCK WITH WHAT IT VIEWS AS THE IMMORALITY OF A WORLD DIVIDED INTO RICH AND POOR AND BELIEVES THAT INDIA, AND BY EXTENSION OTHER POOR COUNTRIES, ARE OWED SOMETHING FROM THE RICH WORLD. THIS MAKES IT EASY FOR INDIA TO EXPECT NON-RECIPROCAL ECONOMIC BENEFITS FROM THE RICH WORLD AND TO ENGAGE IN DISCRIMINATION TO FAVOR, FOR EXAMPLE, ITS NATIONAL AIR CARRIER AND ITS INDUSTRIES THAT IT WOULD NOT CONSIDER ACCEPTABLE IF PRACTICED AGAINST IT BY THE INDUSTRIAL WORLD. INDIA IS CHARACTERIZED BY THE SYNDROME DESCRIBED RECENTLY BY AMBASSADOR MOYNIHAN IN COMMENTARY. IT IS VERY MUCH MORE INTERESTED IN THE DISTRIBUTIONAL INEQUALITIES THAT SO PREOCCUPIED THE SOCIALISTS OF THE 1930'S THAN IT IS WITH THE GROWTH AND PRODUCTION EMPHASIS OF THE POST-KEYNSIANS. THIS MAKES UNCTAD RHETORIC VERY POPULAR WITH INDIANS. FINALLY, INDIA STILL HARBORS THE DESIRE TO BE THE MOTHER HEN OVER THE DEVELOPING WORLD. IT REMEMBERS ITS GANDHIAN AND NEHRUVIAN DAYS OF GLORY AND THINKS IT ONLY NATURAL THAT IT SHOULD PLAY A ROLE COMMENSURATE WITH ITS SIZE AND POPULATION. IT BELIEVES IT CAN'T HOPE TO ACCOMPLISH THIS IF IT DOESN'T KEEP ITS CREDENTIALS WITH THE THIRD WORLD IN GOOD STANDING. FOR GOOD REASONS, THEREFORE, THAT ARE BOTH SUBSTANTIVE AND TACTICAL, ONCE A MATTER COMES TO A VOTE OR WHEN THE ISSUE IS ONE OF DEMONSTRATING PURITY TO THE CAUSE, INDIA WILL ALWAYS LINE UP WITH THE THIRD WORLD.

2. HOWEVER, ALL NEED NOT BE LOST. INDIA CAN BE USEFUL IN THE PROCESS OF HAVING MORE ACCEPTABLE PROPOSITIONS PUT TO A VOTE. RHETORIC APART, INDIA'S REAL ECONOMIC INTERESTS ARE OFTEN QUOTE DIFFERENT THAN WOULD BE SERVED BY THE NEW ECONOMIC ORDER. INDIA'S MODERATION IN THE UNCTAD BLOC HAS OFTEN BEEN NOTED, AND WE THINK THIS IS NOT COINCIDENTAL. INDIA IS A COUNTRY WHOSE EXPORTS ARE ONE-THIRD INDUSTRIAL PRODUCTS AND INDIA KNOWS THE FUTURE HOPE OF ITS TRADE BALANCE MEANS SEEING THE SHARE GROW. CONFIDENTIAL

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FURTHERMORE, INDIA IS A COUNTRY WHOSE IMPORTS ARE PREDOMINANTLY RAW MATERIALS. EVEN AFTER FOOD AND PETROLEUM ARE EXCLUDED, OVER HALF OF ITS IMPORTS ARE RAW MATERIALS.

3. LIKE ANY SELLER, INDIA IS WILLING TO RIG THE MARKET IN ITS FAVOR WHEN IT THINKS IT MIGHT BE ABLE TO DO SO, AS FOR EXAMPLE, IT HAS TRIED TO DO WITH TEA AND IRON ORE. IN GENERAL, HOWEVER, INDIA RECOGNIZES THE ADVANTAGES OF A HEALTHY AND EXPANDING WORLD MARKET. EVEN THOUGH IT CAN'T SAY SO OPENLY AND ITS THINKING IS CONFUSED, INDIA DOES NOT WANT TO PULL DOWN THE OLD INTERNATIONAL ORDER TO CREATE A NEW ONE. IT WANTS A BIGGER SLICE OF THE PIE.

4. ITS POSITION VIS-A-VIS THE OIL COUNTRIES IS EXCRUCIATING. IT

TAKES ENORMOUS EMOTIONAL PLEASURE IN SEEING OPEC HAVE ITS WAY WITH THE MIGHTY WEST. WHILE IT NEITHER WANTS NOR DARES TO ALIENATE THE OIL PRODUCERS OR BREAK THE UNCTAD RANKS, NEVERTHELESS, ITS LARGE INDUSTRIAL SECTOR (20 PERCENT OF NATIONAL PRODUCT) AND ITS LONG INLAND TRANSPORTATION LINES REQUIRE VAST QUANTITIES OF IMPORTED OIL. IT, THEREFORE, BALANCES ITS HUZZAHS FOR OPEC WITH TACTFUL LECTURES TO OPEC TO BE RESPONSIBLE, BY WHICH IT MEANS CHEAP OIL AND MORE ECONOMIC AID TO INDIA. (IT SUCCESSES HAVE BEEN TANGIBLE BUT MODEST ON THIS SCORE).

5. IT SEEMS TO US THAT WHAT EMERGES FROM THIS IS THE OPPORTUNITY INDIA PRESENTS AS A VOICE OF MODERATION IN THE THIRD WORLD CAMP. AT THE MOMENT INDIA IS FRUSTRATED IN THAT CAMP AS IT HAS SEEN ITS LEADERSHIP ROLE SLIP INTO THE HANDS OF THE MORE MILITANT ALGERIANS AND OTHERS OF THEIR ILK. ONE REASON THE ALGERIANS HAVE HAD SUCH SUCCESS IS THAT THEY ARE MUCH MORE DEFINITE ABOUT WHAT THEY ARE AFTER AND HAVE ACCORDINGLY DONE THEIR HOMEWORK WELL. (INDIA'S TENDENCY TO POSTURE IS CERTAINLY ANOTHER REASON WHY IT HAS LOST ITS LEADERSHIP ROLE). IF WE CAN HELP THE INDIANS SORT OUT THEIR MODERATE POSITIONS BETTER AND ARTICULATE THEM MORE EFFECTIVELY SO THAT THEY CAN REGAIN SOME SORT OF LEADERSHIP, WE SHALL HAVE DONE US BOTH A FAVOR. THIS INVOLVES A BETTER DIALOGUE WITH THE INDIANS THAN WE HAVE BEEN CARRYING ON. IT IS PROBABLY TOO LATE TO DO VERY MUCH BETWEEN NOW AND THE NEXT SPECIAL UNGA SESSION. AT THE SESSION, OUR DELEGATES CAN KEEP IN MIND THE DIVERGENCE BETWEEN UNCTAD RHETORIC AND INDIA'S ECONOMIC INTERESTS AND IN THE CORRIDORS TRY TO ENCOURAGE INDIA TO STRIVE FOR TONING DOWN OF THE UNCTAD POSITIONS.  
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6. IN NEW DELHI OVER THE NEXT FEW MONTHS WE CAN, OF COURSE, TALK TO THOSE WE BELIEVE WOULD BE IN A POSITION TO INFLUENCE INDIA'S STANCE. MORE GOOD MATERIAL, SUCH AS THE RECENT INR STUDY ON THE PROBLEMS OF INDEXATION WOULD BE USEFUL. WE COULD CERTAINLY USE INDICATIONS OF AREAS IN WHICH THERE MIGHT BE SOME GIVE IN THE US POSITION.

7. AS A LONGER TERM PROPOSITION, BUT PERHAPS EVEN BEFORE THIS FALL, WE SUGGEST THE US COMMENCE A DIALOGUE WITH THE INDIANS (ALONG WITH OTHERS). THIS DIALOGUE COULD START WITH SMALL GROUPS OF EXPERTS SENT TO INDIA TO DISCUSS, FOR EXAMPLE, COMMODITY POLICY EITHER FOR ONE COMMODITY OR COMMODITY POLICY GENERALLY. WE WOULD EMPHASIZE THAT INDIA HAS COMPETENT ECONOMISTS IN ITS SENIOR CIVIL SERVICE WHO ARE AWARE OF THE ISSUES AND THE LITERATURE. THEY KNOW WHAT THEY ARE TALKING ABOUT EVEN THOUGH THEY ARE OFTEN OPINIONATED IN WAYS WE DON'T LIKE FOR REASONS DESCRIBED ABOVE. WHILE THERE IS NO POINT IN SENDING PEOPLE HERE TO CONCILIATE THE INDIANS THROUGH CONCESSIONS THAT WILL BE POLITICALLY UNSALEABLE ONCE THEY GET BACK HOME, NEITHER IS THERE ANY POINT IN SENDING PEOPLE MERELY TO EXPLAIN PATIENTLY HOW ULTIMATELY REASONABLE OUR POLICIES ARE. OUR PROBLEM WITH INDIA IS TO NEGOTIATE POSITIONS OF MODERATION WITH

A COUNTRY WITH ONE FOOT IN THE DC ECONOMIC CAMP BUT ITS HEART  
AND SOUL WITH UNCTAD. WE MUST SEND PEOPLE ONLY WHEN WE HAVE  
SOMETHING NEW TO OFFER WHICH TAKES INDIA'S DUALITY INTO ACCOUNT  
AND OUR PEOPLE MUST BE READY TO EXPLORE REALITY AS IT EXISTS IN  
DIFFERENT PARTS OF THE WORLD. THE SECRETARY'S KANSAS CITY  
SPEECH IS A PROMISING START.

SAXBE

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## Message Attributes

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